

**NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2011**

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and where appropriate at the office of the parish clerk of court.

Release Date _____

MAY 09 2012

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
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NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011


Legislative Auditor
P O Box 94397
Baton Rouge, LA 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, R E L Breedlove, Jr, Executive Director of the Natchitoches Parish Port Commission, who duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the Natchitoches Parish Port Commission at December 31, 2011 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board


Executive Director

Sworn to and subscribed before me, this 20th day of April, 2012


NOTARY PUBLIC
E. Merlin Sguyres, ID# 033769

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P O BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S. HINES, CPA
LEWIS C. HINES, CPA
E. MERLIN SQUYRES, CPA
JAY H. SHEFFIELD, CPA
JAMES S. SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjhcpa.biz

INDEPENDENT AUDITORS' REPORT

Natchitoches Parish Port Commission
P O Box 2215
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Port Commission, Natchitoches, Louisiana, as of and for the year ended December 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Natchitoches Parish Port Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Natchitoches Parish Port Commission as of December 31, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated April 20, 2012, on our consideration of the Natchitoches Parish Port Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 8 and 23, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Natchitoches Parish Port Commission's financial statements as a whole. The accompanying information identified in the table of contents as Other Supplementary Information is presented for the purposes of additional analysis and is not a required part of the financial statements. The Other Supplementary Information schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The financial information for the year ended December 31, 2010, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated May 11, 2011, on the basic financial statements of the Natchitoches Parish Port Commission.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

April 20, 2012

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

The Management's Discussion and Analysis of the Natchitoches Parish Port Commission's financial performance presents a narrative overview and analysis of Natchitoches Parish Port Commission's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the Natchitoches Parish Port Commission's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- 1) The Natchitoches Parish Port Commission had cash and investments of \$509,028 at December 31, 2011 which represents a decrease of \$70,679 from prior year end
- 2) The Natchitoches Parish Port Commission had accounts receivable of \$108,596 at December 31, 2011 which represents a decrease of \$4,263 from prior year end
- 3) The Natchitoches Parish Port Commission had accounts payable and accruals of \$20,442 at December 31, 2011 which represents a decrease of \$5,344 from prior year end
- 4) The Natchitoches Parish Port Commission had total revenues of \$355,433 for the year ended December 31, 2011 which represents a decrease of \$302,117 from prior year
- 5) The Natchitoches Parish Port Commission had charges for services of \$71,027 for the year ended December 31, 2011 which represents a decrease of \$74,445 from prior year
- 6) The Natchitoches Parish Port Commission had rents and commissions of \$198,757 for the year ended December 31, 2011 which represents a decrease of \$51,243 from prior year
- 7) The Natchitoches Parish Port Commission had interest income of \$6,404 for the year ended December 31, 2011 which represents an increase of \$1,892 from prior year
- 8) The Natchitoches Parish Port Commission had total operating expenses of \$692,525 for the year ended December 31, 2011 which represents a decrease of \$55,377 from prior year
- 9) The Natchitoches Parish Port Commission had capital asset purchases of \$140,463 for the year ended December 31, 2011 which represents a decrease of \$85,964 from prior year

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the Natchitoches Parish Port Commission as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the Natchitoches Parish Port Commission as a whole and present a longer-term view of the Commission's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the Commission's net assets and changes in them. You can think of the Commission's net assets, the difference between assets and liabilities, as one way to measure the Commission's financial health, or financial position. Over time, increases or decreases in the Commission's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 11. All of the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's activities as well as what remains for future spending.

NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

FINANCIAL ANALYSIS OF THE ENTITY

**Statement of Net Assets
As of Year End**

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 632,381	\$ 707,272
Capital assets, net	<u>12,289,947</u>	<u>12,557,492</u>
Total Assets	<u>\$ 12,922,328</u>	<u>\$ 13,264,764</u>
 Other liabilities	 \$ 20,442	 \$ 25,786
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>20,442</u>	<u>25,786</u>
 Net assets		
Investment in capital assets, net of related debt	12,289,947	12,557,492
Unrestricted	<u>611,939</u>	<u>681,486</u>
Total Net Assets	<u>12,901,886</u>	<u>13,238,978</u>
 Total Liabilities and Net Assets	<u>\$ 12,922,328</u>	<u>\$ 13,264,764</u>

Net assets of the Natchitoches Parish Port Commission's decreased by \$337,092 or 2.55% from the previous fiscal year. The decrease is the result of expenses exceeding revenues during the fiscal year ended 2011 (See table below).

**Statement of Activities
For the Year Ended**

	<u>2011</u>	<u>2010</u>
General government		
Expenses	\$ (692,525)	\$ (747,902)
Program revenues		
Charges for services	71,027	145,472
Operating grants and contributions	0	40,000
Capital grants and contributions	<u>48,083</u>	<u>158,159</u>
Subtotal	(573,415)	(404,271)
 General revenues	 <u>236,323</u>	 <u>313,919</u>
 Change in net assets	<u>\$ (337,092)</u>	<u>\$ (90,352)</u>

The Natchitoches Parish Port Commission's total revenues decreased by \$302,117 or 45.95% from the previous year. The total cost of all programs and services decreased by \$55,377 or 7.40% from the previous year.

NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the Natchitoches Parish Port Commission had \$12,289,947, net of depreciation, invested in a broad range of capital assets (See table below) This amount represents a net decrease (including additions and deductions) of \$267,545 or 2.13% from the previous year

**Capital Assets at Year End
(Net of Depreciation)**

	<u>2011</u>	<u>2010</u>
Land	\$ 1,655,175	\$ 1,655,175
Construction in progress	49,143	39,128
Site improvements	10,314,679	10,623,150
Buildings and building improvements	223,634	232,278
Furniture, fixtures and equipment	<u>47,316</u>	<u>7,761</u>
Total	<u>\$ 12,289,947</u>	<u>\$ 12,557,492</u>

This year's major additions included

Construction in progress	\$ 90,777
Furniture, fixtures and equipment	\$ 49,686

This year's major retirements included

None

Debt

The Natchitoches Parish Port Commission had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change as shown in the table below

Outstanding Debt at Year End

	<u>2011</u>	<u>2010</u>
Compensated absences payable	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included

None

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2011

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$24,138 more than budgeted amounts due to rents and commissions being more than expected

Actual expenditures were \$1,450 more than budgeted amounts due to professional services and capital outlay being more than expected

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Natchitoches Parish Port Commission's officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Charges for services
- 2) Intergovernmental revenues
- 3) Rents and commissions

The Natchitoches Parish Port Commission does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NATCHITOCHES PARISH PORT COMMISSION'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Natchitoches Parish Port Commission's finances and to show the Natchitoches Parish Port Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact R. E. L. Breedlove, Jr., Natchitoches Parish Port Commission, P. O. Box 2215, Natchitoches, Louisiana 71457.

EXHIBIT A

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash	\$ 203,224	\$ 278,116
Investments	305,804	301,591
Accounts receivable	108,596	112,859
Prepaid expense	<u>14,757</u>	<u>14,706</u>
Total Current Assets	632,381	707,272
Noncurrent Assets		
Capital assets, net	<u>12,289,947</u>	<u>12,557,492</u>
Total Assets	<u>\$ 12,922,328</u>	<u>\$ 13,264,764</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	<u>\$ 20,442</u>	<u>\$ 25,786</u>
Total Current Liabilities	20,442	25,786
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	20,442	25,786
NET ASSETS		
Investment in capital assets, net of related debt	12,289,947	12,557,492
Unrestricted	<u>611,939</u>	<u>681,486</u>
Total Net Assets	<u>12,901,886</u>	<u>13,238,978</u>
Total Liabilities and Net Assets	<u>\$ 12,922,328</u>	<u>\$ 13,264,764</u>

The accompanying notes are an integral part of this statement

EXHIBIT B

**NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	2011				2010
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
General Government					
Personal services	\$ 176,358	\$ 44,026	\$ 0	\$ 0	\$ (71,976)
Travel	5,874	1,466	0	0	(2,891)
Operating services	84,949	21,207	0	0	(83,111)
Supplies	0	0	0	0	0
Professional services	17,336	4,328	0	0	(9,392)
Depreciation	408,008	0	0	48,083	(236,901)
Total General Government	<u>\$ 692,525</u>	<u>\$ 71,027</u>	<u>\$ 0</u>	<u>\$ 48,083</u>	<u>(404,271)</u>
General Revenues					
Rents and commissions					250,000
Franchise fees					19,537
Interest income					4,512
Other					39,870
Total General Revenues					<u>313,919</u>
Change in Net Assets					(90,352)
Net Assets, Beginning of year					<u>13,329,330</u>
Net Assets, End of year					<u>\$ 12,901,886</u>
					<u>\$ 13,238,978</u>

The accompanying notes are an integral part of this statement

EXHIBIT C

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash		
Investments	\$ 203,224	\$ 278,116
Accounts receivable	305,804	301,591
Prepaid expense	108,596	112,859
	<u>14,757</u>	<u>14,706</u>
Total Assets	<u>\$ 632,381</u>	<u>\$ 707,272</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	\$ 20,442	\$ 25,786
Total Liabilities	<u>20,442</u>	<u>25,786</u>
 FUND BALANCES		
Nonspendable	14,757	14,706
Unassigned	<u>597,182</u>	<u>666,780</u>
Total Fund Balances	<u>611,939</u>	<u>681,486</u>
Total Liabilities and Fund Balances	<u>\$ 632,381</u>	<u>\$ 707,272</u>

The accompanying notes are an integral part of this statement

EXHIBIT D

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total Fund Balances for Governmental Funds (Exhibit C) \$ 611,939

Total Net Assets reported for governmental activities in the statement of net assets
is different because

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds Those assets consist of

Land	\$ 1,655,175	
Construction in progress	49,143	
Site improvements, net of \$3,704,530 in accumulated depreciation	10,314,679	
Buildings and building improvements, net of \$42,663 in accumulated depreciation	223,634	
Furniture, fixtures and equipment, net of \$44,018 in accumulated depreciation	\$ 47,316	
Total Capital Assets		12,289,947

Long-term liabilities, including compensated absences payable, are not due
and payable in the current period and therefore are not reported in the fund
liabilities

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 12,901,886

EXHIBIT E

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
REVENUES		
Charges for services	\$ 71,027	\$ 145,472
Intergovernmental	48,083	170,159
Rent and commissions	198,757	250,000
Franchise fees	21,784	19,537
Interest income	6,404	4,512
Other	<u>9,378</u>	<u>67,870</u>
Total Revenues	355,433	657,550
EXPENDITURES		
General government		
Personal services	176,358	151,738
Travel	5,874	6,095
Operating services	84,949	175,209
Supplies	0	0
Professional services	17,336	19,800
Capital outlay	<u>140,463</u>	<u>226,427</u>
Total Expenditures	<u>424,980</u>	<u>579,269</u>
Excess/(Deficiency) Of Revenues Over Expenditures	(69,547)	78,281
Fund Balance, Beginning of year	<u>681,486</u>	<u>603,205</u>
Fund Balance, End of year	<u>\$ 611,939</u>	<u>\$ 681,486</u>

The accompanying notes are an integral part of this statement

EXHIBIT F

NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ (69,547)

The change in Net Assets reported for governmental activities in the statement of activities is different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$408,008) exceeds capital outlay (\$140,463) in the current period (267,545)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (337,092)

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011

The Natchitoches Parish Port Commission was created by Act 1975 containing R S 34 3151 through 34 3157 of the Louisiana Legislature. The Commission serves all of Natchitoches Parish. The Commission shall regulate the commerce and traffic within the Port area in such a manner as may, in its judgement, be for the best interest of the State. One member of the Board is appointed by the Governor, two members by the Natchitoches Parish Police Jury and two members by the City of Natchitoches, Louisiana. The members serve six year terms.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles. The accompanying financial statements of the Natchitoches Parish Port Commission present information only as to the transactions of the programs of the Natchitoches Parish Port Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Natchitoches Parish Port Commission are maintained in accordance with applicable statutory provisions.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting, therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Natchitoches Parish Port Commission prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

The Natchitoches Parish Port Commission defines cash and cash equivalents as follows

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2011, \$0 were considered to be uncollectible

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Natchitoches Parish Port Commission are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for site improvements and buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

Employees earn leave at various rates depending on the number of years in service. However, leave cannot be accumulated or carried over from one year to the next. Therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Restricted Net Assets

In the government-wide statements, equity is classified as net assets and displayed in three components:

- 1 Investment in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds,

NATCHITOCHE PARISH PORT COMMISSION
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Restricted Net Assets (Continued)

mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets

- 2 Restricted net assets - consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions or enabling legislation

- 3 Unrestricted net assets - all other net assets

I. Fund Equity

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components

- 1 Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
- 2 Restricted - amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation
- 3 Committed - amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Commissioners) These amounts can not be used for any other purposes unless the government takes the same highest level action to remove or change the constraint
- 4 Assigned - amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Commissioners or its management to which the Board of Commissioners has delegated the authority to assign amounts for specific purposes
- 5 Unassigned - all other spendable amounts

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution

The Commission typically uses restricted fund balances first, followed by committed ,assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund balance classifications could be used

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the Natchitoches Parish Port Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2011 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	<u>\$ 203,224</u>	<u>\$ 305,804</u>	<u>\$ 509,028</u>
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	<u>0</u>	<u>0</u>	<u>0</u>
Total Category 3 Bank Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Bank Balances (All Categories Including Category 3 Reported Above)	<u>\$ 204,879</u>	<u>\$ 305,804</u>	<u>\$ 510,683</u>

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Bank of Montgomery	\$ 406,810
Exchange Bank	101,117
Peoples State Bank	2,756
Total	<u>\$ 510,683</u>

B. Investments

At December 31, 2011, the Natchitoches Parish Port Commission had investments of \$0.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2011

<u>Class of Receivable</u>	
Charges for services	\$ 4,977
Rents and commissions	94,916
Franchise fees	4,923
Intergovernmental	3,342
Other	438
Total	<u>\$ 108,596</u>

NOTE 4 CAPITAL ASSETS

A summary of the Natchitoches Parish Port Commission's capital assets at December 31, 2011 follows

	Balance December 31, 2010	Additions	Retirements	Balance December 31, 2011
Capital Assets, not being depreciated				
Land	\$ 1,655,175	\$ 0	\$ 0	\$ 1,655,175
Construction in progress	39,128	90,777	(80,762)	49,143
Total Capital Assets, not being depreciated	1,694,303	90,777	(80,762)	1,704,318
Capital Assets, being depreciated				
Site improvements	13,938,447	80,762	0	14,019,209
Less accumulated depreciation	(3,315,297)	(389,233)	0	(3,704,530)
Total Site Improvements	10,623,150	(308,471)	0	10,314,679
Buildings and other improvements	266,297	0	0	266,297
Less accumulated depreciation	(34,019)	(8,644)	0	(42,663)
Total Buildings and Building Improvements	232,278	(8,644)	0	223,634
Furniture, fixtures and equipment	41,648	49,686	0	91,334
Less accumulated depreciation	(33,887)	(10,131)	0	(44,018)
Total Furniture, Fixtures and Equipment	7,761	39,555	0	47,316
Total Capital Assets, being depreciated	10,863,189	(277,560)	0	10,585,629
Total Capital Assets, net	<u>\$ 12,557,492</u>	<u>\$ (186,783)</u>	<u>\$ (80,762)</u>	<u>\$ 12,289,947</u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2011

<u>Class of Payable</u>	
Vendor	\$ 7,964
Payroll taxes and retirement	12,478
Total	<u>\$ 20,442</u>

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 6 RETIREMENT SYSTEM

Substantially all employees of the Natchitoches Parish Port Commission are members of the Parochial Employees' Retirement System of Louisiana, a multiple-employer, public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Natchitoches Parish Port Commission are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. However, for those employees who were members of only the supplemental plan prior to January 1, 1980, the benefit is equal to one percent of their final-average salary plus \$24 for each year of supplemental-plan-only service earned prior to January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each parish, except New Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana, 70898-4619, or by calling (504) 928-1361.

Plan members are required by state statute to contribute 9.50% of their annual covered salary and the Natchitoches Parish Port Commission is required to contribute at an actuarially determined rate. The current rate is 15.75% of annual covered payroll. The contribution requirements for plan members and the Natchitoches Parish Port Commission are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior year. The Natchitoches Parish Port Commission's contributions to the System for the years ended December 31, 2011, 2010 and 2009 were \$23,696, \$20,388 and \$12,582, respectively, equal to the required contributions for each year.

NOTE 7 LEASES

The Natchitoches Parish Port Commission was not obligated under any noncancellable capital or operating lease agreements at December 31, 2011.

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2011

NOTE 8 LITIGATION

The Natchitoches Parish Port Commission is a defendant in one lawsuit as of the close of business on December 31, 2011. Although the outcome of this lawsuit is not presently determinable, in the opinion of management and legal counsel, resolution of this matter would not create a liability in excess of insurance coverage that would have a material adverse effect on the financial condition of the Natchitoches Parish Port Commission.

NOTE 9 COMPENSATION PAID TO BOARD MEMBERS

Board members of the Natchitoches Parish Port Commission receive no compensation for their services. As of December 31, 2011, the members of the Board were as follows:

Nettles Brown
Luke Frederick
Sam Fowler
Ralph Ingram, Jr
Dan Simmons

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Fav / (Unfav)</u>
REVENUES				
Charges for services	\$ 80,000	\$ 64,050	\$ 71,027	\$ 6,977
Intergovernmental	1,855,000	45,000	48,083	3,083
Rents and commissions	238,045	184,245	198,757	14,512
Franchise fees	17,000	21,900	21,784	(116)
Interest income	3,500	6,600	6,404	(196)
Other	<u>6,000</u>	<u>9,500</u>	<u>9,378</u>	<u>(122)</u>
Total Revenues	2,199,545	331,295	355,433	24,138
EXPENDITURES				
General government				
Personal services	176,350	176,350	176,358	(8)
Travel	7,750	5,700	5,874	(174)
Operating services	111,440	84,680	84,949	(269)
Supplies	0	0	0	0
Professional services	19,100	16,800	17,336	(536)
Capital outlay	<u>1,884,905</u>	<u>140,000</u>	<u>140,463</u>	<u>(463)</u>
Total Expenditures	<u>2,199,545</u>	<u>423,530</u>	<u>424,980</u>	<u>(1,450)</u>
Excess/(Deficiency) Of Revenues Over Expenditures	0	(92,235)	(69,547)	22,688
Fund Balance, Beginning of year	<u>681,486</u>	<u>681,486</u>	<u>681,486</u>	<u>0</u>
Fund Balance, End of year	<u>\$ 681,486</u>	<u>\$ 589,251</u>	<u>\$ 611,939</u>	<u>\$ 22,688</u>

OTHER SUPPLEMENTARY INFORMATION

SCHEDULE 2

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

1	Type of auditors' report issued	Unqualified
2	Internal control over financial reporting	
	a) Material weakness(es) identified?	No
	b) Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
3	Noncompliance material to the financial statements noted?	No

SECTION #2

FINANCIAL STATEMENT FINDINGS

None reported

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
P O BOX 2188 - 133 EAST FIFTH STREET
NATCHITOCHES, LA 71457

FRANK S HINES, CPA
LEWIS C HINES, CPA
E MERLIN SQUYRES, CPA
JAY H SHEFFIELD, CPA
JAMES S SHEFFIELD, CPA

Telephone (318) 352-6458
FAX (318) 352-0404
office@hjcpa.biz

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Natchitoches Parish Port Commission
P O Box 2215
Natchitoches, Louisiana 71457

We have audited the accompanying basic financial statements of the Natchitoches Parish Port Commission, Natchitoches, Louisiana, as of and for the year ended December 31, 2011, and have issued our report thereon dated April 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Natchitoches Parish Port Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Natchitoches Parish Port Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Natchitoches Parish Port Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Natchitoches Parish Port Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Natchitoches Parish Port Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Page #2

This report is intended solely for the information and use of the Natchitoches Parish Port Commission, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

April 20, 2012

SCHEDULE 3

NATCHITOCHES PARISH PORT COMMISSION
NATCHITOCHES, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

<u>Ref No</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards

NATCHITOCHEs PARISH PORT COMMISSION
NATCHITOCHEs, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE 4

<u>Ref No</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Expected Date of Completion</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards